



**Statement by the Sporting Goods Manufacturers Association
to the Senate Finance Committee Supporting
Duty Suspension Bill on Golf Bag Bodies (S. 1928)**

December 4, 2009

This statement is submitted by the Sporting Goods Manufacturers Association (SGMA) in connection with the Finance Committee's November 2, 2009 request for public comment regarding certain miscellaneous tariff measures introduced in the Senate during the 111th Congress. SGMA wishes to express its strong support for the bill (S. 1928) to extend and clarify the existing duty suspension on certain golf bag bodies for the reasons detailed below.

SGMA represents over 500 manufacturers, retailers and marketers in the sports products industry, including the following companies engaged in manufacture, distribution and sale and sale of golf bags: Adams, Callaway, Cleveland, Mizuno, Nike, Ping, Powerbilt, TaylorMade, Titleist, Top Flite and Wilson. SGMA members have over 3,000 business centers, plants and distribution centers that employ more than 375,000 people in the U.S. The sporting goods industry generates more than \$74 billion in U.S. wholesale revenue annually and \$15 billion internationally.

Introduced on October 26 by Finance Committee chairman Max Baucus (MT) and co-sponsored by Sen. John Kyl (AZ), S. 1928 would extend through December 31, 2011 the existing duty suspension provision on golf bag bodies (HTS 9902.23.24). This provision is a prime example of how duty suspension bills can advance a broad range of U.S. economic interests. By suspending the duty on imports of incomplete golf bags, the provision has created an incentive for companies to locate golf bag assembly operations in the United States as some SGMA members have proceeded to do. At the same time, the provision has helped lower the cost to consumers of golf bags assembled here in the United States.

S. 1928 also would make a technical correction to the existing duty suspension provision's language for purposes of ensuring that the provision is not subjected to overly narrow interpretations by U.S. Customs and Border Protection (CBP) officials. The bill does this by making clear that a rainhood accompanying a golf bag body need not be sewn onto the bag.

A second CBP classification issue of considerable potential concern has arisen more recently. An August 26, 2009 ruling from CBP's New York office claimed that at least certain incomplete golf bags should be classified not under HTS 6307.90.98, the subheading referenced in the existing duty suspension provision and S. 1928, but rather under HTS 4202.92.30. Such a classification change would effectively nullify the existing and extended duty suspension provision, and SGMA appreciates the Finance Committee's ongoing outreach to CBP in working to resolve this related issue.

We appreciate this opportunity to share SGMA's views with the Finance Committee. Please feel free to contact us if Committee staff has any questions regarding our position on this important duty suspension bill.

Respectfully submitted,



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